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30 APR 1976

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology

SUBJECT: Comptroller's Meeting - 26 April 1976

1. Attached for your information are copies of the ver-grams used during the Comptroller's Meeting on 26 April 1976, together with a copy of the Memorandum for the Record describing the discussion.

2. Within the next several days, we will be issuing revised allotments to reflect the actions agreed upon at the meeting. The revised allotments should be used as the base for the 1976 column of your 1978 Programs, now being prepared.

3. At the meeting we told you we had been informed that OMB had approved our request for a [redacted] to fund the [redacted] costs. We have now received the letter from OMB, which says:

"The enclosed apportionment schedule provides for [redacted]

[redacted]

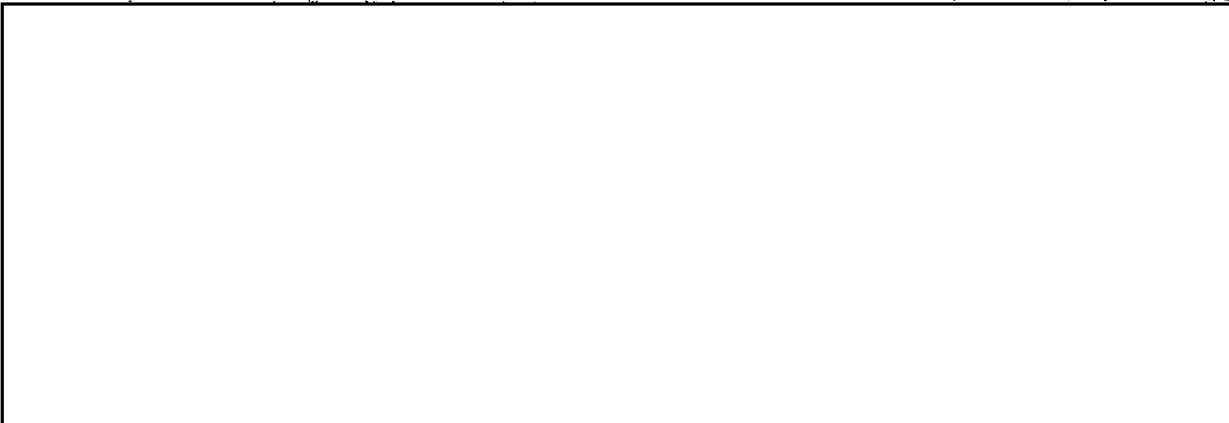
indicates that there are some lower priority items which could be reduced to offset CIA's remaining 1976 funding needs. This apportionment anticipates that additional requirements in the Fiscal Year 1976 will be financed through the reprogramming of available funds. We expect you to manage CIA funds in a way so as to anticipate to the extent possible such unfunded requirements and finance them through normal and prudent trade offs within the agency's budget for the remainder of 1976 and during the Transition Quarter. We would anticipate prior consultation with this office for any major reprogramming this may require."

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JOHN D. IAMS
Comptroller

Attachments:
As stated

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COMPT

76-0546

29 APR 1976

Executive Registry

76-2081

MEMORANDUM FOR: Director of Central Intelligence

FROM: John D. Iams
Comptroller, Central Intelligence Agency

SUBJECT: Comptroller's Meeting of 26 April 1976

1. Attached for your information are a Memorandum for the Record describing the most recent CIA Comptroller's meeting and copies of vu-graphs used to direct the discussion. Highlights are:

a. OMB has approved the release of [redacted]

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b. Estimates of savings to meet our [redacted] in bills range between [redacted], leaving us short about [redacted]

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c. The Deputy Directors have agreed to absorb a reduction of about [redacted] by deferring programmed activities.

2. Funding the IC Staff move remains a problem which we will wish to discuss with you as soon as the issues are clarified.

ON

[redacted]
John D. Iams

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Attachments:

As stated

Distribution:

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COMPT 76-0545

28 APR 1976

MEMORANDUM FOR THE RECORD

SUBJECT: Comptroller's Meeting 26 April 1976 to Review
31 March 1976 Data

1. The Comptroller met with the Deputy Directors on 26 April 1976 to review the status of accounts and obligations through 31 March 1976. Present were: John F. Blake, Deputy Director for Administration; William E. Nelson, Deputy Director for Operations, Retiring; [] 25X1A [] Deputy Director for Operations Designate; Edward W. Proctor, Deputy Director for Intelligence; Sayre Stevens, Acting Deputy Director for Science and Technology; [] Acting Director of 25X1A Finance; John D. Iams, Comptroller; [] Deputy Comptroller; 25X1A and members of the Comptroller's Staff. 25X1A



3. [] reviewed briefly the agreements reached at the meeting last month and the actions taken since that time. He noted that OMB approved our request for a [] to 25X1A pay [] costs; and that OMB will defer a decision on our request for their approval to extend into the Transition Quarter the availability of funds [] for projects in [] 25X1A [] until after OAG decisions on both [] are reached. 25X1A

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4. The status of unobligated balances for Fiscal Year 1975 as of 26 April 1976 was reviewed, showing an unobligated balance as of 31 March 1976 of [REDACTED]. We have known requirements against this balance totalling [REDACTED] which will leave us a balance of [REDACTED] available for any additional contingencies which may arise.

5. The balance [REDACTED] after deduction of the [REDACTED]

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6. The Agency has obligated 74.9 percent of the funds available for the total 1976 Program through the first three quarters of the year, one tenth of one percent below a straight line rate. Projections of savings in personal services funds range from [REDACTED]. There were [REDACTED] full-time permanent employees on duty at the end of March, and the Office of Personnel projects that [REDACTED] will be on duty at the end of the Fiscal Year, [REDACTED] ceiling.

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7. The status of obligations of non-personal services funds in each of the Directorates was reviewed with no significant abnormalities noted.

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9. Obligations against the cargo transportation account as of 31 March exceed the present allocation by about [REDACTED] with one full quarter of the Fiscal Year remaining. The total shortfall in this account is expected to reach [REDACTED] by the time all of the bills come in; many of the bills are not received until after the end of the Fiscal Year. The action to fund this account now is necessary to avoid a potential deficit in 1976 funds after the Fiscal Year has ended, but before the appropriation lapses two years hence. The situation arises

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because the cargo transportation account historically has been deliberately underbudgeted each year, with confidence that unobligated balances at the end of the year would be more than adequate to cover it. Several

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[redacted]
the Congress. It is clear from our experience in 1975 and 1976 that we can no longer rely confidently on the expectation that unobligated balances at the end of the year will be sufficient to cover the cargo transportation account, contract overruns, and other requirements for 1976 funds after the Fiscal Year has ended. Beginning in 1978 the Office of Logistics will budget fully for the cargo transportation account, but we will have the problem again in 1977 as we have it now in 1976.

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10. The [redacted] is intended to cover [redacted] in [redacted] costs, plus [redacted] costs included on the list of hard requirements. In addition, it is intended to pay the bill for [redacted] through the end of the Fiscal Year, which has not yet been rendered by the [redacted] [redacted] total of hard requirements is reduced by [redacted] rather than the full amount of [redacted]

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11. If we were to obtain [redacted] the ICS move and reduce the amount of the allotments to the Directorates by the full amount of the items they identified two months ago as deferrable to meet a 25 percent reduction in the pay raise, we would be able to fund the transportation account as well as absorb the actual 10 percent reduction in funds to be apportioned for the pay raise and thereby reduce the hard requirements to a remaining total of [redacted]. The Comptroller recommended that:

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- a. We request [redacted] to fund the ICS move.
- b. We require components to absorb their share of the 10 percent pay raise reduction from deferrables identified two months ago.
- c. The Comptroller issue revised allotments reducing Directorate totals by amounts equal to the balance of the deferrables [redacted]
- d. We authorize DDO to fund the [redacted] service from the [redacted] in non-personal savings identified as of 31 March.

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X1A e. The DDA be authorized to fund hard requirements up to [redacted] in non-personal savings identified as of 31 March.

f. We authorize no further funding of any requirements, and ask that all remaining savings be preserved until funding the ICS move has been resolved.

X1A 12. During the discussion it was agreed that we should not seek [redacted] to fund the ICS move until the possibility of obtaining funding assistance from other agencies represented on the IC Staff has been explored with the Director and the CFI. Mr. Blake and Mr. Iams agreed to take this problem to the Director at the earliest opportunity.

X1A 13. During the discussion of the recommendation that Directorate totals be reduced by amounts equal to items previously identified as deferrable, it was recognized that the DDI has a special problem, requiring that he be granted some relief. The DDA, DDO, and DDS&T agreed to absorb an additional [redacted] each in order to reduce the DDI problem by [redacted]. Other recommendations were approved as offered.

[redacted] 25X1A
Chief, Budget Management Group

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26 APR 1976

OVERVIEW

LAST TIME:

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1. We identified [] in unfunded requirements: [] in "hard" requirements and [] "other".

2. We had a low estimate of savings of [] and a high estimate of []

3. We agreed:

a. To ask the Director's approval to seek [] for [] costs, and to go immediately to OMB with a request if approved.

b. To continue the freeze on reprogramming.

c. To ask the DD's to continue to defer funding "other" requirements and to identify to the Comptroller time critical items for consideration of their release.

SINCE LAST TIME:

1. We sent memo's to the DD's concerning these agreements.

2. The Director agreed to seek [] costs. OMB was briefed on 13 April. OMB approved 26 April. []

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3. We asked OMB approval to extend availability of [redacted] into the T.Q. On 13 April, Chief/EUR briefed Mr. Oliver on the status of these programs. OMB will defer decision on extension of [redacted] money to the T.Q. until OAG decisions on both [redacted] are reached. At that time, we will have to determine whether the new OAG decisions represent reprogramming of the Reserve release funds requiring notification to Congress.

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4. The urgency of providing [redacted] has increased, and DDO has requested that this [redacted] be considered as a hard requirement which must be funded.

5. The on-duty strength at the end of March has been reported as [redacted]. The Office of Personnel projection of year end strength is now [redacted] higher than last month.

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Next 11 Page(s) In Document Exempt

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RECOMMENDATIONS

It is recommended that we proceed as outlined; specifically that:

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- a. We request [] to fund the ICS move.
 - b. We require components to absorb their share of the pay raise reduction from deferrables identified two months ago.
 - c. The Comptroller issue revised allotments reducing Directorate totals by amounts equal to the balance of the deferrables. [] 25X1A
 - d. Authorize DDO to fund the [] in non-personal services savings identified as of 31 March.
 - e. Authorize DDA to fund hard requirements up to [] 25X1A non-personal services savings identified as of 31 March, and request that he notify the Comptroller of exact amounts obligated, and the sources of funds.
 - f. Authorize no further funding of any requirements, and all remaining savings be preserved until funding the ICS move has been resolved.

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76-2081

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TO	NAME AND ADDRESS	DATE	INITIALS
1	Exec. Secretary	4 May 76	
2	AO/DCI		
3	see para 4		
4			
5			
6			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	
Remarks: In conjunction with our memorandum to you, dated 29 April 1976, Compt #76-0546, the attached is forwarded for your information. We have always provided this information to you in the past, as we will in the future. In this instance your name as one of the addressees was inadvertently omitted.			
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J. D. Iams, Comptroller			4/30/76

76-1728

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<input type="checkbox"/>	COMMENT	<input type="checkbox"/>	FILE	<input type="checkbox"/>	RETURN
<input type="checkbox"/>	CONCURRENCE	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	SIGNATURE

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